



**FIRST
NATIONAL BANK**
of Custer City, Oklahoma

May 27, 1988

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Secretary:

I have enclosed an original and one copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Security Agreement, a primary document, dated 4-20-88.

The names and address of the parties to the documents are as follows:

Mortgage ~~6K~~: First National Bank, P. O. Box 100, Custer,
Oklahoma, 73639 Phone (405) 593-2291

Mortgage ~~6L~~: Grainbelt Corporation, P. O. Box 1750, Clinton,
Oklahoma, 73601 Phone (405) 323-1234

A description of the equipment covered by the document follows:

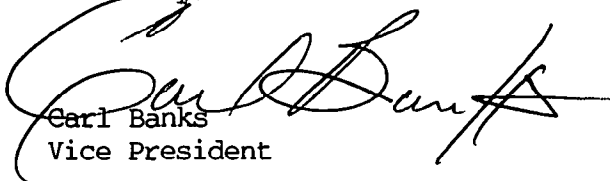
3 - EMD GP-9 Refurbished and Qualified 120-ton 1750 HP
Locomotive, Ser #S-9144, Unit #3648;
Ser #65-G3-1074, Unit #3871;
Ser #S7-F-39, Unit #6083

A fee of \$13.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to: First National Bank, P. O. Box 100, Custer, OK 73639.

A short summary of the document to appear in the index follows:

Security Agreement between First National Bank, P. O. Box 100, Custer, OK 73639, and Grainbelt Corporation, P. O. Box 1750, Clinton, OK 73601, dated 4-20-88 covering three (3) GP-9 Locomotives.

Sincerely,


Carl Banks
Vice President

Jack W. Dickey
President

Al Wood
Executive Vice-President

Carl Banks
Vice-President

No. 8-152A082

Date... MAY 31 1988
Fee \$ 13.00
RECORDATION NO. 5662
FILED 228

ICC Washington MAY 31 1988-3 05 PM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission

Washington, D.C. 20423

6/3/88

OFFICE OF THE SECRETARY

Carl Banks
Vice President
First Natl Bank Of Custer Okla.
P.O.Box 100
Custer,Okla. 73639

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/31/88 at 3:05pm, and assigned recordation number(s). 15662

Sincerely yours,

Narta L. McEneaney

Secretary

Enclosure(s)

SECURITY AGREEMENT

Date 4-20, 1988

Grainbelt Corporation

P O Box 1750

(Debtor's Name)

(Street Address)

Clinton

Custer County

Oklahoma

(City)

(County)

(State)

The words I and Me mean all Borrowers or Debtors who have signed the note described below. The words Bank, Secured Party, You or Your mean First National Bank, Custer, OK. Because You have loaned money to Me, I give and grant to you a security interest in the following property of mine:

- 1 - EMD GP-9 Refurbished and Qualified 120-ton 1750 HP Locomotive, Ser. #S-9144, Unit #3648
- 1 - EMD GP-9 Refurbished and Qualified 120-ton 1750 HP Locomotive, Ser. #65-G3-1074, Unit #3871
- 1 - EMD GP-9 Refurbished and Qualified 120-ton 1750 HP Locomotive, Ser. #S7-F-39, Unit #6083

1 5662

RECORDATION NO. _____ FILE NO. _____

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INTERSTATE COMMERCE COMMISSION

together with all parts and equipment used in connection with that property. This security interest also includes all additions, replacements, increases in the property and after-acquired property. Also included in this security interest will be proceeds from the sale of the property and any insurance proceeds payable as a result of loss or damage to the property. However, this does not mean that the Bank gives its permission to sell or change the present form of the property. I give this security interest to the Bank to insure the repayment of all my present and future loans and any other obligations that I might owe this bank, including as some but not all of those obligations, future advances of money or credit, all money that the Bank spends as a result of this loan for taxes, insurance, repairs to or maintenance of my property, and all expenses of the bank if I default and this loan must be sent to an attorney for collection.

If the property I have pledged as security includes livestock, I grant to the Bank a security interest in all increases in that livestock, feed and equipment used in the feeding and handling of the livestock and all my right, title and interest in all contracts and leases covering lands for pasturing and grazing of the livestock. If the property I have pledged as security includes crops, then this agreement is intended to include all annual or perennial crops and products of those crops which are growing or planted in the property described on the mortgage signed by me.

This security interest is given to secure: (1) Payment of a note dated 4-20-88, executed and delivered by Me to You in the principal sum of \$180,000.00

I EXPRESSLY WARRANT AND COVENANT:

OWNERSHIP AND TITLE. I now own or will use the money loaned to me to become the owner of the property listed in the Security Agreement. There are no security interests or liens, other than yours and those which I have told you about in writing. I will not permit any other security interest or lien to be put on the property without your prior written consent.

RESIDENCE, USE AND LOCATION. All the statements made in this loan document as to my residence or business, and the use and location of the property are true. I will not move the property from the location I designated without your prior written consent.

FINANCING STATEMENTS. There are no financing statements on file in any public office covering the property which is subject to your security agreement. I will sign all financing statements, continuation statements and security interest filing statements with respect to the property.

INSURANCE. I will keep the property insured against such risks and in such amounts as you may require from time to time. I will pay all premiums for this insurance when they are due and payable. If I fail to obtain the insurance or if I fail to pay the insurance premiums, you may obtain the insurance or pay the premiums. If you do this, I will immediately pay to you an amount equal to all moneys you have advanced to obtain insurance and to pay insurance premiums. The total cost of this insurance plus a FINANCE CHARGE at a rate not exceeding the ANNUAL PERCENTAGE RATE then in effect under this note will be added to other amounts secured by this agreement. Such amount shall be covered by the security interest and lien I have granted you. However, if you decide not to obtain the insurance or pay the premiums, none of your rights or remedies against me will be prejudiced. All insurance proceeds under any insurance policy shall be payable to you to the extent of the moneys I owe you. I will deliver to you the insurance policy or policies or a certificate of insurance. I assign to you any return or unearned insurance premiums which may be due upon cancellation of any insurance policy. I direct the insurance companies to pay to you all insurance proceeds and returned or unearned premiums. You are irrevocably appointed as my attorney-in-fact to endorse any draft or check which may be payable to me so as to collect any return or unearned premiums or insurance proceeds. All insurance proceeds and returned or unearned premiums received by you will be applied against the moneys I owe you and any balance remaining will be paid to me.

MAINTENANCE AND INSPECTION. I will keep the property in good condition and repair and I will not use the property so as to cause any unreasonable deterioration or depreciation. I will use the property lawfully and only within the limits provided in my insurance coverage. Additionally, I will permit you to examine and inspect the property at any time, wherever located.

I FURTHER WARRANT AND COVENANT:

1. The Property covered by this agreement is to be used by Me primarily for:
☐ Personal, family or household purposes ☐ Farming operations ☒ Business other than farming operations.
2. The Property is ☒ Now owned by the Debtor ☐ Being acquired with the proceeds of the loan.
3. Debtor's residence is ☒ At the address shown above

☐ At _____ (Street Number) _____ (City) _____ (State)

4. The Property will be kept at ☒ Debtor's residence shown above

☐ At _____ (Street Number) _____ (City) _____ (State)

5. Debtor's chief place of business is ☐ In the county of Debtor's residence

☒ At STATE OF OKLAHOMA (City) _____ (State) _____

EVENTS OF DEFAULT.

I will be in default, if:

1. I do not make any payment when it is due, or I do not comply with all the terms and conditions of this agreement; or,
2. Any statement or representation made or furnished to you proves to be false; or,
3. The property is lost, stolen, receives substantial damage, sold or any lien or encumbrance is placed on the property, or any seizure or attachment of the property; or,
4. I die or there is a dissolution, termination of existence, insolvency, business failure or appointment of a receiver for any part of the property. Also, the assignment for the benefit of creditors or the commencement of any action under the bankruptcy or insolvency laws against me or any guarantor or surety of mine under this agreement; or,
5. I fail to insure the property; or,
6. I use the property in an unlawful way; or,
7. I remove the property from the location name in this agreement, except during temporary periods in the normal and customary use, without your prior written consent; or,
8. You believe that I will not make any payment when it is due, complete any promise I made, or feel that the property is in jeopardy.

REMEDIES.

If I default at anytime after that default, you may, if you wish, exercise all the rights you have allowed by the Uniform Commercial Code as well as all other remedies you have under this agreement, including but not limited to:

1. Declare all obligations of mine that are secured under this agreement, immediately due and payable.
2. Take action to require payment of the obligations.
3. Require me to assemble the property and make it available to you at any place you desire that is reasonably convenient to both of us.
4. Take back or repossess the property and remove the property from my premises. For the purposes of removing or repossessing the property, you may peaceably enter, without legal action through the Courts, any premises of mine or any other place where the property may be found which I now waive and release you from any claims I might have against you for the peaceful entry and repossession of the property.
5. Sell or dispose of the property. Unless the property is perishable or will lose its value quickly or is the type that is customarily sold on a recognizable market, you will give me reasonable notice of the time and place of any public sale of the property, or at any time after where any private sale or other disposition of the property is to be made. You will send notice to me by mail at my address listed in this agreement at least ten (10) days before the time of any sale or disposition, then it will be reasonable notice. You shall be entitled to all reasonable costs and expenses you incur in protecting and enforcing your rights under this agreement. All expenses are secured by the security interest in the property.

Grainbelt Corporation

Signed and delivered the day and year first above written.

SECURED PARTY First National Bank, Custer, OK

By _____

Signed by: _____

George O. Betke, Jr., Chmn. of Bd. & CEO

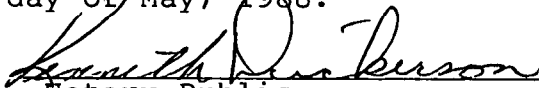
By _____

Richard A. Peters, Pres. & Sec.

I have compared this copy of a Security Agreement with the original document and found the copy to be complete and identical in all respects to the original document.

State of Oklahoma)
) ss:
County of Custer)

Subscribed and sworn before me, the undersigned authority, this 27th day of May, 1988.


Notary Public

My Commission Expires:

1-9-90